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United States
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Washington, D.C. 20250

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 25-80

WASHINGTON, Nov. 5--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following recent developments in world agriculture and trade:

GRAIN AND FEED

Reserve In the SOVIET UNION, continuing rainfall in northwest European USSR could further delay the grain harvest which is lagging by several weeks in some parts of the region. Fair weather in the central and south European USSR facilitated both the reaping of small grains, and the corn harvest that is now in full swing. Although the optimal time for harvesting corn has arrived, Soviet reports suggest that the crop is still green in some areas. With the onset of winter rapidly approaching, it is unlikely that such corn will have time to ripen, but could be harvested as green chop.

Soviet farmers had cut small grains and pulses on 115.9 million hectares by Oct. 13, which is 94 percent of the planned area under these crops, compared with 114.9 million on Oct. 6. The threshed area now totals 114.8 million hectares or 99.1 percent of the swathed area. Corn for grain had been cut on 914,000 hectares by Oct. 13, or 23 percent of plan, compared with 681,000 hectares on Oct. 6. Also, rice had been harvested on 525,000 hectares, which represents about 80 percent of the planned area.

MEXICO's sharply increased import demand for grains helped double the value of U.S. exports to that market to a record \$2 billion during fiscal 1980, compared with \$972 million the preceding year. Following drought- and frost-reduced fall 1979 corn and sorghum crops, Mexico embarked on a major import program to meet food and feed needs. A bilateral supply agreement between the United States and Mexico was signed in January of 1980 to facilitate trade between the two countries.

U.S. exports to Mexico during fiscal 1979 and 1980 (Oct.-Sept.) were as follows in 1,000 tons:

	1979	1980
Corn	628	3,870
Sorghum	1,113	2,255
Wheat	1,201	880
Barley	68	221

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PROCUREMENT SECTION
CURRENT SERIAL RECORDS

MARY FRANCES CHUGG, Editor. Tel: (202) 447-3370, 447-2381. Weather and Crop Summary prepared by the Joint Agricultural Weather Facility of USDA and NOAA. Tel: (202) 447-8760, 447-7917. Additional copies may be obtained from the FAS Information Services Staff, Room 5918-South, Washington, D.C. 20250. Tel: 447-7937.

Prospects for Mexico's 1980 fall crops have improved, but with rapidly increasing food and feed grain demands, U.S. exports are expected to remain strong during fiscal 1981. Corn exports are expected to remain near the 4-million-ton level, but a reduction to about 1 million tons is anticipated in sorghum exports because of the price differential currently prevailing between U.S. No. 3 yellow corn and sorghum.

In KOREA, it now appears that the 1980 rice crop may total substantially less than last year's 5.6 million tons (milled basis) and could be the smallest since 1972. Cool, cloudy weather plagued the crop during the critical flowering stage, and continued through the fall. These below normal temperatures have impaired heading, reduced yield prospects and delayed ripening.

With domestic rice consumption projected at close to 6 million tons, 1981 import needs could reach 2 million tons, up from 800,000 tons in 1980. The U.S. is expected to provide nearly half this rice. Early deliveries are being requested against these imports in order to replenish stocks and dampen possible price increases.

Recent difficulties with disease problems and crop failures are encouraging Korean farmers to switch from the high yielding varieties back to more traditional ones. This could result in a more stable, but lower production level in the future, necessitating continued large rice imports in the near term.

Despite TURKEY's record-large wheat crop, currently estimated at 13.8 million tons, exports could be below 1 million tons for the second consecutive year. Purchases by the government grain agency (TMO) have so far only amounted to about 1.7 million tons. The government had planned to purchase at least 2.5 million tons this year, compared with last year's purchases of only 1.6 million tons, but limited funds are expected to restrict this year's total government purchases to only 1.8 million tons. Many farmers have chosen to sell to private traders, rather than wait for the higher support prices paid by TMO.

TMO supplies both the domestic and export markets. The domestic market is expected to absorb about 12.5 million tons this year. Nevertheless, wheat exports could fall below 1 million tons. While the private trade is permitted to sell wheat on the world market, a recent 25-percent increase in the deposit requirement to the Price Support and Stabilization Fund has dampened export incentive. No wheat has been exported by the private trade so far this year.

OILSEEDS AND PRODUCTS

The UNITED KINGDOM's combined imports of soybeans and meal from all destinations during the year ending Sept. 30 gained 5 percent, while imports from the United States gained nearly 23 percent. According to the U.S. agricultural counselor in London, U.K. imports of soybeans and meal during Oct.-Sept. 1979/80, with comparisons, were as follows in 1,000 tons.

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	<u>1978/79</u>	<u>1979/80</u>
Soybeans from:		
United States	850.1	1175.7
Other countries	<u>163.5</u>	<u>26.8</u>
Total	1013.6	1202.5
Soybean meal from:		
United States	297.0	258.0
Other countries	<u>347.2</u>	<u>308.4</u>
Total	644.2	566.4
Soybeans and meal (meal equivalent) from:		
United States	972.8	1192.7
Other countries	<u>477.2</u>	<u>329.7</u>
Total	1450.0	1522.4

In 1980/81, the United Kingdom's import requirements for soybeans and meal are forecast at 1.44 million tons (meal equivalent) or 5.5 percent below the record large 1979/80 volume.

FISH MEAL PRODUCTION for selected major producer-exporter countries during Jan.-June 1980 declined 13 percent, or 130,000 tons, from the same six months of 1979, according to information compiled by the Fishmeal Exporters Organization. During the same months, fish meal exports from these countries declined 15 percent or 103,600 tons. Combined fish meal stocks in the major producer-exporter countries on June 30, 1980, were estimated at 443,900 tons, compared with 461,700 tons a month earlier and 575,100 tons a year earlier.

The cumulative data for the 1980 period by country and by month, with 1979 period comparisons, are as follows in 1,000 tons:

<u>Country</u>	<u>January-June 1979</u>			<u>January-June 1980</u>		
	<u>Pro- duction</u>	<u>Exports</u>	<u>Residual</u>	<u>Pro- duction</u>	<u>Exports</u>	<u>Residual</u>
Chile	191.5	114.9	76.6	224.1	213.0	11.1
Peru 1/	349.5	334.7	14.8	217.2	146.0	71.2
Iceland	113.5	100.8	12.7	91.1	96.8	- 5.7
Norway	177.1	150.6	26.5	174.6	137.1	37.5
South Africa	<u>139.2</u>	<u>4.2</u>	<u>135.0</u>	<u>133.7</u>	<u>8.7</u>	<u>125.0</u>
Total	970.8	705.2	265.6	840.7	601.6	239.1

Monthly totals

January	81.8	87.9	- 6.1	79.6	75.5	4.1
February	153.5	120.3	33.2	155.4	122.4	33.0
March	248.0	102.3	145.7	175.6	89.4	86.2
April	268.1	133.3	134.8	160.1	75.6	84.5
May	114.6	131.5	-16.9	140.0	115.9	24.1
June	104.8	129.9	-25.1	130.0	122.8	7.2

1/ Excludes production data for private sector.

DAIRY, LIVESTOCK AND POULTRY

In the SOVIET UNION, production of meat on collective and state farms during Jan.-Sept. 1980 was 3 percent below the same period of 1979. However, in September the monthly meat production figure exceeded the corresponding month in 1979 for the first time since February of this year. The average live weight at slaughter of both cattle and hogs declined in September from August levels.

EUROPEAN COMMUNITY (EC) dairy products are now expected to reenter world markets as a result of changes in export restitutions. The restitution payments were reduced on Oct. 24 on several kinds of cheese, except for some of the cheeses which come under the U.S. quota category of "Other Cheese-NSPF," which were raised. The export subsidies for Emmenthaler were left unchanged, following an increase on Oct. 1. Reductions in the payments ranged from only 2 European Community Units (ECU's) per 100 kilograms for blue veined cheeses (about 1.2 U.S. cents per pound) to 10 ECU's per 100 kilograms for American type cheese such as Cheddar and Colby.

Butter and nonfat dry milk restitutions will be increased on Jan. 1. Butter will be raised from 100 to 160 ECU's per kilogram, and nonfat dry milk from 30 to 40 ECU's per 100 kilograms. However, exporters may already prefix the restitution for these dairy products for shipment as of Jan. 1. The increases for butter and nonfat dry milk bring the restitutions closer to the levels of last June. Exporters are beginning to run out of prefixations made before the restitutions were lowered in June.

HORTICULTURAL AND TROPICAL PRODUCTS

BRAZIL's 1981 (1981/82) coffee harvest is expected to total at least 27 to 29 million bags. This would be up 6 to 8 million bags from the 1980/81 estimate and is based on field observations in the principal coffee producing states of Parana, Sao Paulo and Minas Gerais. Under conditions of favorable weather and adequate management, the crop could be significantly higher.

Brazil's coffee trees have completely recovered from the 1975, 1978 and 1979 frosts and freezing temperatures. However, the trees in several areas of northern Parana were exposed to near freezing temperatures during the last Southern Hemisphere's winter season and may lose a small portion of their newly set crop.

The Brazilian coffee production potential for the 1981 harvest, by producing states, is as follows in millions of 60 kilogram bags. Parana 7.5 to 8; Sao Paulo 8.5 to 9; Minas Gerais 7.5 to 8; other states 3.5 to 4.

The executive board of the INTERNATIONAL COFFEE ORGANIZATION will meet in London on Nov. 5 in accordance with the International Coffee Council's decision that it should meet as soon as possible in coffee year 1980/81, which began on Oct. 1, to examine all matters related to enforcing the quotas for this year.

The Republic of the Philippines has joined the International Coffee Organization (ICO) as an exporting member. Total membership has now reached 65 countries, including 44 exporters and 24 importers.

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TEA EXPORTING COUNTRIES are scheduled to meet in Salisbury, Zimbabwe, Nov. 24-28, to discuss the world tea situation. Talks will center around the distribution of export quotas agreed upon in May. A producer-consumer meeting is planned in February, with discussions including a proposed international tea agreement.

In the UNITED KINGDOM, honey imports during the first six months of 1980 were down despite a succession of bad honey seasons. Imports for 1980 by country of origin, with 1979 for comparison, are as follows in tons.

	<u>1979</u>	<u>1980</u>
European Community	219	292
Hungary	397	-
China	681	2,023
Australia	1,196	2,366
Cuba	1,070	51
Mexico	3,281	962
Argentina	1,010	889
United States	325	9
Other	2,163	1,348
Total	<u>10,342</u>	<u>7,940</u>

The WORLD HONEY HARVEST for 1980 is estimated at 732,000 tons, 1 percent below the revised 1979 offtake. A crop of this magnitude in 1980 would be around 6,000 tons below normal consumption needs.

Production in the major producing countries in 1980, with 1979 in parentheses, is as follows: Canada 29,200 (33,000); Mexico 58,000 (52,000); United States 91,000 (107,600); Argentina 24,000 (26,000); Soviet Union 80,000 (80,000); and the People's Republic of China 105,000 (100,000).

TOBACCO

In CANADA, the Ontario flue-cured tobacco auctions opened on Oct. 14. During the first four days of the auction, 2,540 tons (5.6 million pounds) were sold at an average price of C\$1.26 per pound. The guaranteed minimum price for producers in 1980 is C\$1.28 per pound. By the end of the first five days of last year's auction, 3,221 tons (7.1 million pounds) were sold at an average price of C\$1.22 per pound.

Total Canadian production for 1980 is estimated at 101,000 to 102,000 tons (223 to 225 million pounds) of which 40,000 to 43,000 tons (90 to 95 million pounds) are expected to be exported. Canada is the world's fifth largest exporter of flue-cured tobacco.

In NORTH AMERICA, the first outbreak of blue-mold in the 1980/81 tobacco crop has been reported in Guatemala. Trade sources reported outbreaks in burley (Zacada area) and in aromatic tobaccos (Santa Rosa area). Damage to seedbeds is reported light and the disease appears to be under control.

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NEW RELEASES OF FOREIGN AGRICULTURE CIRCULARS:

World Tobacco Prices Moderate During 1979 FT 9-80
 World Honey Output Down Slightly in 1980 FHON 1-80
 U.S. Trade in Oilseeds and Products Rise in August 1980 FOP 21-80
 Northern Hemisphere Apple and Pear Outlook--1980/81 FDAP 2-80

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INTERNATIONAL WEATHER AND CROP SUMMARY, Oct. 27-Nov. 2

EUROPE--Precipitation slackened further in many countries. Above-normal totals occurred across the north early in the week, but major portions of crop areas in England and Poland benefited from relatively dry weather. Temperatures held near normal in the area, with conditions becoming too cold to sustain winter grain growth in the northeastern countries. Frost threatened sugar beets yet unharvested. The drier weather favored maize harvesting from France eastward to Romania, but Bulgaria and Greece stayed wet as a storm developed in the eastern Mediterranean. Favorable conditions prevailed for winter grain sowing in Spain and Italy.

USSR--Two storms dropped above-normal amounts of rain and snow across northern crop areas. No winter grain harvesting progress was possible in the northwest. A variable rainfall pattern occurred in more southerly areas, allowing some progress in harvesting of sunflower and sugar beets. Temperatures remained above normal in the southeast, but dipped below normal in the west. Low temperatures potentially damaging to sugar beets occurred over most of the crop area, with about a tenth of the crop still in the fields. Winter grains continued growth only in the North Caucasus and the southern Ukraine. Rainfall beneficial to winter grains fell in the North Caucasus as a storm moved through the Mediterranean.

EASTERN ASIA--Light rain maintained favorable growing conditions over much of the winter wheat belt. Light frost occurred north of the Yellow River, but daytime temperatures stayed high enough for vigorous growth to continue. Drier weather in the south favored harvesting of the late rice crop. Only some western hilly areas received abnormal rain. In South Korea, favorable weather returned to rice harvesting areas, and temperatures stayed above normal.

SOUTH ASIA--Rainfall slackened abruptly in Bangladesh and southeastern India. This drier weather favored the late harvesting of the autumn rice crop. Winter rice in Bangladesh and eastern India, now in the late heading stage, should have quite adequate soil moisture to carry the crop through to maturity. Little additional rain is expected in this area during November, but the wet season should continue over the southern Indian Peninsula. The first two storms from the west this season should spread light rain into wheat areas of Pakistan and northwestern India, but did not substantially improve growing conditions for unirrigated wheat.

NORTHWESTERN AFRICA--Most crop areas remained dry during the week. However, early in the week, light rains occurred in Tunisia and at the week's end a front moved into Morocco dropping light amounts in the extreme west. Temperatures held near normal in Tunisia and Algeria, but rose above normal in Morocco. Soil moisture for winter grains should be adequate in all areas but western Algeria.

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SOUTHEAST ASIA--Weekly rainfall decreased considerably during the last week in October. Showers produced 10 to 25 mm of rain at various, widely scattered locations throughout Thailand. However, a major portion of the country received less than 10 mm as the rainy season drew to a close. The drier weather allowed floodwaters to recede from the Central Plains. Sunny days should be beneficial to grain development and maturation. The wet season crops have sufficient moisture to complete the growing cycle.

AUSTRALIA--Showers produced 10 to 25 mm of rain in most of Victoria and the extreme southeastern portion of South Australia. The wheat crop is in relatively good condition in these areas as the harvest season begins. The important wheat producing states of Western Australia and New South Wales received little or no precipitation during the week. Although dry weather is favorable for the impending harvest, inadequate supplies of soil moisture throughout the crop growth cycle have stressed the nearly matured wheat crop, particularly in the northern portion of Western Australia, most of New South Wales and Queensland. The wheat harvest in Queensland has shown poor results because of the prolonged drought. In Queensland and northern New South Wales, dry weather aided spring sowing of grain sorghum and corn after the soaking rains of the preceding two weeks.

SOUTH AMERICA--Abnormally large amounts of precipitation fell again in the wheat growing area of Brazil. The heavy rain may not only delay ripening and interfere with the harvest activities, but may also affect the quality of the grain. The wheat harvest is usually completed by mid-December in Rio Grande do Sul. Abundant, if not excessive, moisture is available for spring sowing of maize and soybeans. In Argentina, the northern wheat area received 15 to 30 mm of rain, which will be more beneficial to spring-planted maize than to the nearly matured wheat. Maize planting had been delayed in this area because of dry soil conditions through mid-October. Also, the recent moisture has helped sustain wheat growth. Harvesting in Argentina usually begins in mid-November and lasts until January. Dry weather prevailed in the southern wheat areas. By week's end, above-normal temperatures moved into western portions of the wheat belt. Rain is needed in this area to replenish low-soil-moisture reserves and reduce crop-moisture stress.

SOUTH AFRICA--Seasonal rainfall of 10 to 20 mm occurred over much of the northern portion of the maize growing region of South Africa, where sowing has been delayed until soil moisture supplies became adequate for germination and emergence. This recent moisture should allow maize planting to begin in northern areas but the southern portion of the maize growing area remained relatively dry. Soaking rains are needed soon to allow crop planting.

MEXICO--The dry season became more established over the north, favoring the remaining cotton harvest as well as vegetable development along the west coast. Very little rain fell during the week in the northwestern watersheds. Heavy rains across southern agricultural areas benefited citrus and late corn, but hampered the harvesting of beans, early corn and other mature crops.

Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain, soybeans and tapioca, c.i.f., Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	Nov. 4, 1980		Change from previous week	A year ago
	Dollars per metric ton	Dollars per bu.	Cents per bu.	Dollars per metric ton
Wheat:				
Canadian No. 1 CWRS-12.5%..	<u>1/</u>	<u>1/</u>	<u>1/</u>	206.00
U.S. No. 2 DNS/NS: 14%.....	228.00	6.21	+11	202.00
U.S. No. 2 DHW/HW:13.5%.....	231.00	6.29	+13	204.50
U.S. No. 2 S.R.W.....	231.00	6.29	+23	188.00
U.S. No. 3 H.A.D.....	307.00	8.36	+ 9	240.00
Canadian No. 1 A: Durum....	<u>1/</u>	<u>1/</u>	<u>1/</u>	261.00
Feedgrains:				
U.S. No. 3 Yellow Corn.....	173.50	4.41	+16	139.00
U.S. No. 2 Sorghum <u>2/</u>	182.00	4.62	+ 2	147.00
Feed Barley <u>3/</u>	191.00	4.16	+11	165.50
Thailand Tapioca.....	165.12	--	-2.33 <u>5/</u>	--
Soybeans:				
U.S. No. 2 Yellow.....	373.00	10.15	+67	268.00
Argentine <u>4/</u>	<u>1/</u>	<u>1/</u>	<u>1/</u>	<u>1/</u>
U.S. 44% Soybean Meal (M.T.)	347.00	--	+19.00 <u>5/</u>	240.00
EC Import Levies				
Wheat <u>6/</u>	83.07	2.26	-17	103.50
Barley.....	53.63	1.17	-33	84.25
Corn.....	91.80	2.33	-20	118.10
Sorghum.....	73.09	1.85	-13	108.50

1/ Not available.

2/ Optional delivery: U.S. or Argentine Granifero Sorghum.

3/ Optional delivery: U.S. or Canadian Feed Barley

4/ Optional delivery: Brazil Yellow

5/ Dollars per metric ton.

6/ Durum has a special levy.

NOTE: Basis December delivery.

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